

Steiner, Phyllis

From: Sherrer, Dana
Sent: Tuesday, August 11, 2015 4:03 PM
To: Christian, Doretha
Cc: Jenkins, Susan
Subject: FW: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable

Follow Up Flag: Follow up
Due By: Thursday, October 15, 2015 11:00 AM
Flag Status: Flagged

Doretha and Susan,

Please see the email chain below. The highlighted section may help with the clarification of TR2 and TR2B.

Thanks

Dana

From: Williams, Molly
Sent: Thursday, August 06, 2015 8:29 AM
To: Stewart, Tracey
Cc: Luebbering, Gregory; Sherrer, Dana
Subject: RE: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable

Yes, I think that would help...are you thinking you are sending it, or CFC?

Thanks!

Molly

Molly Williams, Supervisor
Accounts Receivable Branch
US EPA/OCFO/OFS/CFC/ARB
26 W MLK Drive, MS-002
Cincinnati, OH 45268
513-487-2076
513-487-2063 (fax)

From: Stewart, Tracey
Sent: Wednesday, August 05, 2015 1:16 PM
To: Williams, Molly
Cc: Luebbering, Gregory
Subject: RE: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable

Happy to help. Those are definitely past costs, not future costs as far as coding the funds in the financial system. The demand letter states clearly the payment is for EPA costs *incurred*.

As an aside, we are in the process of updating the Special Account Consolidated Guidance, and we included more clarification in the document to explain the difference between settlement use of the term future response cost and



what is considered a past versus future response cost in the financial system. The guidance is still draft, so I'll take another look at what we have in there and see if we can make it as clear as possible.

Would it help to send Region 6 the following excerpts from guidance documents that clarify what is a past cost and future cost in a financial context? RMDS Chapter 15 and the 2002 Special Account Consolidated Guidance contain the following about what should be placed in TR2 vs. TR2B:

RMDS Chapter 15, Special Accounts: http://intranet.epa.gov/ocfo/policies/direct/2550/2550d-15-p1_financial_management_of_special_accounts.pdf

On pages 10-11:

1. TR2. Non-Federal Special Accounts *Unearned Revenue*. Represents amounts received under a non-federal cash-out settlement (principal only, excludes late payment interest). This code pertains to collections related to non-federal settlement amounts for costs to be incurred (work to be performed) in the future.

2. TR2A. Federal Special Accounts *Unearned Revenue*. Represents amounts received under a federal cashout settlement (principal only, excludes late payment interest). This code pertains to collections related to federal settlement amounts for costs to be incurred (work to be performed) in the future.

3. TR2B. Special Accounts *Earned Revenue*. Represents amounts for the past cost collections, late payment interest collections from PRPs and interest revenue earned on special account collections that have not been disbursed. This code pertains to collections related to settlement amounts for costs previously incurred and includes collections on future response cost (oversight) bills for work performed.

2002 Consolidated Special Account Guidance: <http://www2.epa.gov/sites/production/files/2013-10/documents/congui-estmgt-specacct.pdf>

On page 4:

When the Agency enters into a settlement with a PRP for the performance of work, the PRP often will also agree to make a payment to address both past response costs and future response costs. The agreement usually defines past response costs as those incurred before a certain date, and future response costs as those that will be incurred after a specified date. EPA costs of overseeing (including the costs of an EPA contractor) the PRP's implementation of the work are usually included in the definition of future response costs.⁶ As such, when a PRP reimburses EPA for oversight costs, the PRP is paying a future response cost. It is common practice for the Agency to use appropriated Trust Fund money to pay for the oversight of a PRP activity, bill the PRP periodically for payment, and then deposit the future cost response funds collected from the PRPs into the Trust Fund.⁷

⁷ Even though the payment section of the settlement usually describes the payment as being a future response cost, OCFO classifies the funds as a "cost recovery," because the PRP's oversight payment occurs after the Agency's oversight costs are incurred.

Tracey Stewart
OSWER/OSRTI/IO
Ph: 703-603-8791

From: Williams, Molly
Sent: Wednesday, August 05, 2015 12:42 PM
To: Stewart, Tracey
Cc: Luebbering, Gregory
Subject: FW: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable
Importance: High

Tracey – I may also be setting up a call with Region 6. It's a bit concerning to me, but Region 6 is indicating 'TR2' on this oversight bill, even though it is to cover past costs (for future work at the site). I think they are getting hung up on the wording in the settlement document that states the RP will pay for 'future response costs', however, it was future at the time of the settlement...they are past costs now. Region 6 also had a conference call with Wendy, from OIG...so I think between the two of them they are getting tripped up in the wording...we may need some help from the program office on this.

Thanks!
Molly

Molly Williams, Supervisor
Accounts Receivable Branch
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From: Sherrer, Dana
Sent: Wednesday, August 05, 2015 12:32 PM
To: Williams, Molly
Subject: FW: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable
Importance: High

Molly,

This is just a CC of my email to R6 regarding TR2 vs TR2B.

Thanks
Dana

From: Sherrer, Dana
Sent: Wednesday, August 05, 2015 12:28 PM
To: Kelley, Karen
Cc: Christian, Doretha; Jenkins, Susan
Subject: FW: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable
Importance: High

All,

Attached is the oversight bill for US Oil Recovery. Please let me know when it is mailed to the PRP.

Also, I called and discussed this control form with Susan to let her know that when this receivable is established it will be entered as TR2B. The costs being billed are for the reimbursement of response costs incurred for the period of 8/25/2011-5/31/2015 (past costs). We cannot establish the receivable as TR2 (which is an advance) as indicated on the control form.

We can discuss the billing further when you return Doretha.

Thanks
Dana

From: Kelley, Karen
Sent: Wednesday, August 05, 2015 9:20 AM
To: Sherrer, Dana
Cc: Christian, Doretha; Jenkins, Susan
Subject: US Oil Recovery (A6X7) IGNORE LAST EMAIL Requesting Receivable
Importance: High

Dana,

I inadvertently attached the wrong SCORPIOS report in the last e-mail for US Oil request for receivable. Attached is the correct one along with the other necessary documents. Please use this information in establishing the receivable/bill for collection.

Thanks and sorry for the error.

Karen M. Kelley
NOWCC Employee/Assistant
Enforcement Assessment Section (6SF-TE)
(214)665-2227
kelley.karen@epa.gov